

**San Diego Community Working Group on Short Term Rentals
Recommendations for STR Regulations**

Fiscal Management

It is essential that a **new Enterprise Fund** dedicated to the administration, monitoring and enforcement of Short Term Rentals in San Diego be established. All fees and taxes from the San Diego STR industry must be set aside in this separate fund and immediately available to establish, operate and maintain Permitting, Monitoring, Enforcement and Code Compliance Systems and Resources.

Enforcement Requirements –

Rather than pass a vacation rental ordinance with no enforcement provisions, as San Diego City Council did in 2018, it is essential that Noise/Nuisance Enforcement and Compliance Enforcement systems are included up-front as part of the discussion and passage of a new vacation rental ordinance. Please see Addendums for Noise/Nuisance Enforcement and Compliance Enforcement for detailed recommendations.

Permit Requirements Citywide

1. Limit STVRs to Primary Residence only.
2. Impose limits on the number of STVRs in a community. Determination of appropriate limits should give strong weight to recommendations from the communities affected. For example, 1-25 % to preserve our neighborhood character and quality of life, while acknowledging the desire to home share.
3. Limit proximity of STVRs to a range between 50 and 500 feet. Where this limit is currently exceeded, grandfather only existing STR Operators who have been paying TOT and other business fees and licenses.
4. STVR Permits do not convey when property ownership or primary resident changes.
5. Primary rental occupant must be an adult, age 25 years or older, who must be present on rented STR unit or property.
6. Occupancy: sleeping/night, is limited to two (2) persons per bedroom, plus two (2), 10:00pm-8:00am.
7. Daytime occupancy shall not exceed two (2) times the allowed night time occupancy or a maximum of twenty (20) persons whichever is less.

Permit Requirements Mission Beach (subject to MBTC Review)

1. STRs are not limited to primary residence only
2. For all single family, multiple family, apartments & condominiums, the maximum allowed quantity of STR units in Mission Beach shall not exceed thirty (30%) percent of the total dwelling units (Unit total to be based on SANDAG).
<http://datasurfer.sandag.org/howto>. Excluded from the thirty (30%) percent STR limit are the following: a) STRs within a commercial zone; and b) STRs that are part of an owner occupied property.

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3. Existing Transient Occupancy Tax (TOT) certificate holders with a payment history will receive one (1) year from the enactment of the new ordinance to submit an application and become compliant with the new regulations.
4. New STR permits will only be issued when the number of existing STR permits is less than thirty (30%) percent of the dwelling units in Mission Beach, excluding STRs in commercial zones or owner occupied properties with STRs.
5. Minimum stay of three (3) nights required.

Monitoring & Enforcement

Currently, the City of San Diego is unable to adequately address the many noise, nuisance, public health and environmental damage complaints related to Short Term Rentals Industry (STRs). A new enforcement system is proposed based on communication, education and technology. Its goal is to improve the vacation rental environment for everyone. The system offers the potential to resolve complaints on the same day as reported disturbances, often in less than an hour. It provides a new level of assurance to complainants through the public online tracking and progress of resolution of complaints.

More significantly, the proposed system assigns responsibility for STR-related complaints to Police Investigative Service Officers (PISO), eliminating sworn Police Officer and Code Compliance Officer from their current burden. Current technology provided PISO officers with the resources to respond to STR noise/nuisance complaints much more efficiently and at significantly reduced cost, compared to expanding the current Police and Code Compliance based system. Funds to provide the human and technology resources needed to implement monitoring and enforcement would come from the Enterprise Fund noted above.

The Addendum, *'Enforcement: A Proposed New System'* offers detailed recommendations on a low-cost, but effective enforcement system, which are highlighted below. Please refer to the addendum for specifics.

1. Include STR Permits on the Development Services Ministerial Permit Map (<https://opendsd.sandiego.gov/Web/Maps/ApprovalsMinisterial>), including owner name, local contact for rental information and problem resolution for all permitted STRs. Include Code Enforcement Actions (<https://opendsd.sandiego.gov/Web/Maps/CECase>)
2. Require Owner to post a sign legible from the street with the owner Permit # and 24 hour Owner Response #.
3. Establish a 24/7 Nuisance Response Plan to ensure fair and effective response to complaints about STRs. It should include a Short Term Rental Hotline and electronic tools such as webpages.
4. Punish Violations with effective fines and penalties: Proposed Fines and Penalties:
 - First Offense - \$1000 fine to renters and property owner;
 - Second Offense - \$2500 fine to STR Owner and \$1000 to STR Renters;
 - Third Violation: \$5000 fine to property owner, plus **revocation of STR Permit**; and \$1000 fine to STR Renters.
5. Post a "Good Neighbor Policy" on the STR page of the City website and in a prominent location on the STR property that includes:

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- Notice that the STR is operating in a residential area, not a commercial zone, and that renters must respect the rights of neighbors.
- Provide notice that no business signs can be displayed, and that regulations for lighting intensity, locations and operating hours are enforced.
- Provide San Diego Noise Ordinance Information for Residential areas, including a simple explanation of the 40 decibel limit from 10 p.m. to 7 a.m.
- Provide Notice that Violations of the Noise Ordinance can result in fines of up to \$1000 for each renter.

Adopt and Utilize San Francisco as Model for San Diego

- [Comprehensive Ordinance](#)
- [Website and Administration](#)
- [Directive to Hosting Platforms](#)

In addition to the STR Working Group Enhanced Monitoring and Enforcement Outlined Above:

- Engage Neighbors & Community in Active Monitoring, Rapid Response & Stiff Penalties.

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(STR)

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Addendum to the 2019 Recommendations for STR Regulations:

This Addendum provides more details on the functions and requirements for the type of Enforcement and Compliance Systems that are needed for effective Regulation of STRs.

Noise/Nuisance Enforcement: A Proposed New System

Because of widespread frustration with the inability of the City's current enforcement system to adequately address noise/nuisance complaints related to short-term vacation rentals (STRs), a new enforcement system is proposed. This system has widespread support from groups opposing and favoring STRs.

This new system is based on communication, education and technology. Its goal is to improve the vacation rental environment for everyone involved. It has the potential to resolve complaints on the same day as reported disturbances, often in less than an hour. It also provides a new level of assurance to complainants because the progress of complaints will be able to be tracked online.

Most significantly, this new system replaces sworn police officers and Code Compliance officers as the first responders to STR-related complaints with Police Investigative Service Officers (PISO). Through the use of modern technology, PISO officers will be able to handle STR noise/nuisance complaints much more efficiently than in the past and at significantly reduced cost compared to what the City would experience if it tried to expand its current police/Code Compliance-based system to adequately address STR noise and nuisance complaint enforcement.

Requirements for the new enforcement system

- Full-time dedicated PISO officers.
- Technological help to create a database of 24/7 contacts from STR permit applications.
- Technological help to create additional web pages on the City's website that are dedicated to vacation rentals.
- The creation of a vacation rental complaint hotline.
- The launch of a City-driven public relations campaign to inform the public about this valuable new service.

Why this system is needed as part of a new ordinance

Past City Council discussions about vacation rental regulations have not adequately addressed details about noise/nuisance enforcement. That has begged the question of how regulations would be enforced. With thousands of people showing up at City Council hearings complaining that they have been negatively impacted by STR noise/nuisances, this is a huge question that simply cannot be left unanswered. The new system being proposed has the backing of STR opponents *and* supporters, as well as community town councils. It is time to come together for a solution on vacation rentals. This noise/nuisance enforcement system is critical to making that happen.

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How the proposed new enforcement works

1. Sworn police officers and Code Compliance officers are eliminated as first responders to STR-related noise/nuisance complaints.
2. Using information from STR permit applications, a database will be created that includes:
 - a. Name, 24/7 contact number of STR owner;
 - b. Name, 24/7 contact number of local contact (it is highly recommended that this contact be a San Diego-based vacation rental manager);
 - c. Address of vacation rental.
3. Pages dedicated to vacation rentals are added to the City's website to include:
 - a. "Good Neighbor" policy;
 - b. Descriptions of applicable City ordinances including, but not limited to, noise, trash, and parking;
 - c. Searchable – via incident numbers – progress reports on complaints (see Section 6 below).
4. A vacation rental complaint hotline will be created by the City and publicized via a public relations campaign as the number to call with STR-related noise/nuisance complaints.
5. PISO officers will be hired and trained to be the first responders in handling STR-related noise/nuisance complaints.
 - a. Training will include a focus on City regulations that are likely to be the subject of complaints, including noise, parking, trash, the number of allowed transients per unit, etc.;
 - b. The shifts of PISO officers will include hours and days (Friday and Saturday) when most complaints are lodged;
 - c. PISO officers will man the vacation rental complaint hotline;

PISO officers will ask complainants for a brief description of the nature of the disturbance/nuisance and the address of the STR. The PISO officer will then provide an incident number to complainants if the address given is included in the City's STR database. If the address is not in the City's STR database, a field visit should be ordered to check for compliance, as well as any violations. This is in addition to the complainant being told the address is not on the STVR database of addresses and to contact Code Compliance independently, if the complainant wishes.
 - d. Once a complaint call is received, the PISO officers will use the STR database to find the appropriate local contact name/number to call;
 - e. The PISO officer will inform the STR 24/7 contact that a complaint has been made;
 - f. The PISO officer will provide information about the nature of the complaint and educate the STR contact about City ordinances that may apply;
 - g. The PISO officer will instruct the STR 24/7 contact to inform his/her vacation renters that a complaint has been made and, if follow-up action is required, fines and other penalties may be levied against the vacation rental host and transient renters.

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6. The PISO officer will create a trackable report on the progress of the complaint on the City's vacation rental web pages by entering the following information:
 - a. The incident number;
 - b. The time of the call;
 - c. The time the report was posted on the City website;
 - d. One of two automated messages:
 - i. The STR 24/7 contact was advised of the complaint;
 - ii. The STR 24/7 contact did not answer, which constitutes a violation of the ordinance.
7. Complainant can call the vacation rental complaint hotline back 30 minutes after the report is posted on the City website if the disturbance is continuing, at which point:
 - a. The incident will be escalated to require an on-site visit from either a PISO officer in the field or a sworn police officer at the highest priority available at the time;
 - b. The PISO officer in the field and/or a sworn police officer can determine if fines/penalties are warranted;
 - c. The incident will be updated on the City's website.
8. Incident reports will be forwarded to Code Compliance/City Attorney's office for future action, which will be recorded on the City's website.
9. Proposed fines/penalties:
 - a. First offense - \$1,000 fine to renters and property owner;
 - b. Second offense - \$2,500 fine to property owner and \$1,000 fine to renters;
 - c. Third offense - \$5,000 fine to property owner, plus revocation of STR permit and \$1,000 fine to renters;

Compliance Enforcement: A Key Element

A new system for Compliance Enforcement is being proposed by vacation rental managers and a rental platform. Obviously, more discussion is needed on this critical issue before we can make specific recommendations for an effective Compliance Enforcement System. Some key elements that should be included in a Compliance Enforcement System are listed below:

Key Requirements for Effective Compliance Enforcement:

- Major platforms - Airbnb, HomeAway, VRBO, etc. – must add and display the TOT number and the San Diego STR permit number in their REQUIRED FIELDS entries to satisfy SD Short Term Rental Requirements before listings on their platforms.
- Applications for a STR permit must include the property owner's Social Security number.
- Continued discussion is recommended on the issue of allowing Permits for Whole-house STRs that have complied with TOT. It is further recommended that a date close to July 2018 be established for checking TOT compliance.
- Permits for STRs do not convey when the ownership of the property changes.
- Home sharing will be permitted for a to-be-determined number of days per year.
- Penalties, including substantial fines and revocation of permits, will be instituted.

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- A vacation rental hotline will be established to report possible violations. This hotline number must be included as part of a public relations campaign by the City to instruct the public about how to report violations.

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